

## Message Text

UNCLASSIFIED

PAGE 01 WARSAW 01236 071038Z

43

ACTION EUR-06

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /014 W  
----- 019055

R 070749Z MAR 74  
FM AMEMBASSY WARSAW  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 7966  
AMEMBASSY VIENNA

UNCLAS WARSAW 1236

E.O. 11652: N/A  
TAGS: BEXP, PL  
SUBJECT: MAJOR TRADE OPPORTUNITY: ROLLER BEARING PLANT

COMMERCE FOR BEWT/TDAD: PLANAGAN

VIENNA FOR EWTC

REF: WARSAW 689

1. SUMMARY: W.A. SZEMIOTH, DEPUTY DIRECTOR OF MACHINE TOOL IMPORT DIVISION, METAEXPORT FTO, REQUESTED MEETING WITH EMBOFF MARCH 5. AT MEETING SZEMIOTH ASKED FOR EMBASSY ASSISTANCE IN OBTAINING EARLIEST POSSIBLE RESPONSES OF US FIRMS TO \$200 MILLION BALLBEARING PROJECT DISCUSSED AT TIME OF PLANAGAN VISIT AND REPORTED REFTEL. METAEXPORT ANXIOUS TO KNOW REACTIONS OF US FIRMS TO THIS OPPORTUNITY, IS WILLING IN APPROPRIATE CASES TO CONSULT WITH INTERESTED FIRMS PRIOR TO SUBMISSION OF PROPOSALS IF THIS IS CONSIDERED USEFUL BY POTENTIAL US BIDDERS. END SUMMARY

2. THUS FAR METAEXPORT HAS BEEN CONTACTED BY TIMKEN, FAFNIR (DIVISION OF TEXTRON), AND CINCINNATI MILICRON. SZEMIOTH POINTED OUT THAT IN AT LEAST ONE OF THE PROPOSALS SUBMITTED US FIRM DOES NOT ACCEPT RESPONSIBILITY FOR SUPPLYING ALL EQUIPMENT. METAEXPORT PREFERS TO HAVE SINGLE FIRM UNDERTAKE ENTIRE PROJECT, FUNCTION AS GENERAL CONTRACTOR, ARRANGE SUPPLY OF ALL EQUIPMENT, EVEN THOUGH  
UNCLASSIFIED

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PAGE 02 WARSAW 01236 071038Z

SOME MAY COME FROM OTHER MANUFACTURERS. SHOULD THIS

CONCEPT NOT PROVE FEASIBLE, AND THIS IS A SUBJECT ON WHICH METAEXPORT WOULD LIKE TO HAVE OPINION OF US POTENTIAL SUPPLIERS, OTHER APPROACHES SUCH AS SEPARATE CONTRACTING FOR EACH OF THE PLANTS MAY BE CONSIDERED, BUT SZEMIOTH DOES NOT BELIEVE HE HAS SUFFICIENT INFORMATION TO MAKE SUCH A DETERMINATION AT THIS TIME.

3. SZEMIOTH ALLUDED TO "RUMORS" THAT SOME US FIRMS BELIEVE METAEXPORT SHOULD BEAR THE COST OF BID PREPARATION. HE SAID THIS WAS NOT THE PRACTICE IN POLAND. METAEXPORT HAD NO FUNDS WITH WHICH TO MAKE SUCH PAYMENTS, AND FIRMS THAT WOULD SUBMIT BIDS ONLY UNDER THESE CONDITIONS WOULD BE PUTTING THEMSELVES AT A DISADVANTAGE. (COMMENT: WE HAVE HEARD THIS OBJECTION FROM POLISH SIDE IN THE PAST, AND, SO FAR AS WE KNOW, US FIRMS WHO DECLINED TO SUBMIT BIDS WITHOUT A GUARANTEE OF REIMBURSEMENT IN EFFECT RULED THEMSELVES OUT OF CONSIDERATION. WE DO NOT KNOW OF A CASE IN WHICH A FIRM WHICH LOST OUT IN CONTRACT BIDDING HAS BEEN COMPENSATED FOR THE COST OF BID PREPARATION).

4. ACTION REQUESTED: EMBASSY ASKS THAT COMMERCE SUPPLY FOLLOWING INFORMATION BY CABLE:

(A) LIST OF FIRMS COMMERCE HAS CONTACTED TO DATE REGARDING THIS PROJECT;

(B) SUMMARY OF REACTIONS OF EACH FIRM, I.E., INTERESTED OR NOT;

(C) ANY GENERAL INFORMATION, COMMENTS OFFERED BY FIRMS IN REACTION TO POLISH PROPOSAL WHICH WOULD BE USEFUL TO METAEXPORT IN EVALUATING ITS PRESENT CONCEPTION OF PROJECT, I.E., TO USE SINGLE FIRM FOR ALL THREE PLANTS.

(D) IS COMMERCE AWARE OF FIRMS OTHER THAN THOSE NAMED IN THIS MESSAGE WHICH HAVE CONTACTED, OR WILL SOON CONTACT METAEXPORT CONCERNING THIS PROJECT?

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PAGE 03 WARSAW 01236 071038Z

5. GIVEN SIZE OF THIS PROJECT AND RELATIVE UNFAMILIARITY OF U.S. FIRMS IN THIS INDUSTRY (APART FROM CINCINNATI MILICRON) WITH POLISH MARKET, EMBASSY SUGGESTS INTERESTED COMPANIES CONSIDER SENDING REPRESENTATIVE TO POLAND FOR CONVERSATIONS WITH METAEXPORT AND MINISTRY OF MACHINE INDUSTRY, AND TO VIEW FIRST-HAND PRESENT STATE OF POLISH TECHNOLOGY IN THIS FIELD. SZEMIOTH HAS PLEDGED TO ARRANGE PLANT TOURS, MEETINGS, ETC., IF POTENTIAL US SUPPLIER

WOULD FIND THIS USEFUL.

DAVIES

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NNN

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**TAGS:** BEXP, PL  
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